



COUNTY OF FRESNO

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

PROGRAM YEAR 2002-03

for
Community Development Block Grant
HOME Investment Partnerships
and Emergency Shelter Grant Programs

Prepared by:
Fresno County
Department of Public Works and Planning
Community Development Division
2220 Tulare Street, 6th Floor
Fresno, CA 93721
(559) 262-4292

September 30, 2003



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CAPER (TABLE OF CONTENTS)



GENERAL NARRATIVES	3
COMMUNITY DEVELOPMENT ACCOMPLISHMENTS	5
Accomplishments For Consolidated Plan Priority Needs	5
Public Services	5
Public Facilities	6
AFFIRMATIVELY FURTHERING FAIR HOUSING	8
Fair Housing	8
Fair Housing Council of Fresno County	8
Impediments to Fair Housing	9
Community Housing Council	11
RentSense and Small Claims Advisor	11
AFFORDABLE HOUSING	12
CONTINUUM OF CARE	13
OTHER ACTIONS	14
LEVERAGING RESOURCES	15
Affordable Housing	15
Public Facilities and Improvements	18
CITIZEN REPORT	19
SELF-EVALUATION	21
PROGRAMMATIC NARRATIVES	23
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)	25
Public Facility and Improvement Projects	25
Housing Rehabilitation Programs	28
Economic Development Activities	28
CDBG for Social Services	29
Financial Summary	31
Other Program Requirements	31
HOME INVESTMENT PARTNERSHIPS (HOME)	32
Homebuyer Assistance Programs	32
Housing Rehabilitation	35
New Housing Construction	36
Home Matching Funds	37
Funds Leveraged	38
EMERGENCY SHELTER GRANT (ESG)	39
CIVIL RIGHTS PROGRAM RELATED REQUIREMENTS	40
Race\Ethnicity and Income Levels of Persons Assisted with Housing Programs	40
Minority Contractors	41
EXHIBITS	44
EXHIBIT 1: FINANCIAL SUMMARY	45
EXHIBIT 2: HOME PROGRAM MATCH REPORT	49
EXHIBIT 3: ANNUAL PERFORMANCE REPORT (HOME)	53

Introduction

The Consolidated Annual Performance Evaluation Report (CAPER) describes Fresno County's housing and community development accomplishments during the 2002-03 program year. The CAPER is prepared annually to summarize the County's overall progress in meeting priorities and goals as established in the five-year Consolidated Plan and annual Action Plan.

The U. S. Department of Housing and Urban Development (HUD) requires Fresno County to prepare a five-year Consolidated Plan and annual Action Plan as an application for Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Shelter Grant (ESG) funds. As a grant recipient, the County is also required to submit a performance report that identifies the funding received, and assesses the progress made in meeting the goals outlined in the plan.

This document does not report on the City of Fresno's programs as it receives funds and reports to HUD separately as an Entitlement City. The report also excludes the following cities - Fowler, Huron, Mendota, Orange Cove, and San Joaquin - since these do not participate in the Fresno County Entitlement Program.

The report is divided into three sections: general narratives, programmatic narratives, and exhibits (as required by HUD). The general narratives section provides an overview of the County's progress in meeting goals set forth in the Consolidated Plan and includes summaries on strategic goals and objectives met, actions taken towards affirmatively furthering fair housing, providing affordable housing, actions taken to implement the Continuum of Care, other actions (such as fostering and maintaining affordable housing), a description of resources leveraged, and a summary of citizen participation. The programmatic narratives provide information on the County's CDBG, HOME and ESG Programs.

The exhibits at the end of this document include the CDBG Financial Summary, the HOME Match Report (Form HUD-40107-A), and the Annual Performance Report for the HOME Program (form HUD-40107). The CAPER is available via the internet on the County's Community Development Division web page at: www.fresno.ca.gov/4360/communit.htm. The Activity Summary Report (IDIS-CO4PR03) is available at the Community Development Division Office located at 2220 Tulare Street, 8th Floor, in Fresno, CA.

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GENERAL NARRATIVES

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COMMUNITY DEVELOPMENT ACCOMPLISHMENTS

Accomplishments For Consolidated Plan Priority Needs

Table A below provides information comparing housing accomplishments, as they relate to the goals set forth in the Consolidated Plan, in providing assistance to Priority Need Populations. The Priority Need Population includes renters, owners and special populations (unsheltered homeless). Table A below includes the housing accomplishments funded with the County's allocation of CDBG and HOME. The accomplishments include activities carried out by the County's Affordable Housing Program (Downpayment Assistance, Housing Assistance Rehabilitation Program and CHDO-funded activities) and those activities undertaken by the City of Clovis.

TABLE A: 5-YEAR AND 2002-03 HOUSING GOALS AND ACCOMPLISHMENTS				
PRIORITY HOUSING NEED	NUMBER OF HOUSEHOLDS ASSISTED			
	5-YEAR GOAL	ACCOMPLISHMENTS TO DATE	2002-03 GOAL	ACCOMPLISHMENTS IN 2002-03
Renters	1,540	338	530	55
Owners	420	249	135	133
Special Populations	10	0	0	0
Total	1,970	587	188	188

Over the one-year period, the goal was to assist 188 priority need households. The actual numbers of households assisted through programs funded with CDBG and HOME was 188. An analysis of the individual programs funded indicated that, although the County failed to meet certain program goals, assistance was provided to families through other programs, therefore allowing the County to meet the overall priority need housing assistance goal set for the 2002-03 FY.

Public Services

The Fresno County Human Services System (HSS) administers several CDBG and ESG funded programs providing public and social services. The County's Sheriff's Department administers and manages the County's CDBG-funded Public Service Crime Prevention Activities. Additionally, the City of Clovis administers two social services activities. The ESG Program is further discussed starting on page 39.

CDBG funds are used to help address the unmet and/or under-served needs of County residents through the implementation of public services. In the 2002-03 fiscal year, the County made available \$844,500 in CDBG Program funds for these services. The dollar amount expended and obligated during the fiscal year (\$808,293), represents 13% of the County's FY 02-03 allocation, plus program income from FY 01-02 (see

Exhibit 1: Financial Summary).

Table B below provides information on the major program areas that received funding through CDBG for Public Services. The table lists the 5-year goals as set forth in the County's Consolidated Plan (for each type of service offered) and compares them to the accomplishments to date. The table also compares 1-year goals for the services offered, to those activities accomplished during the reporting period.

As of June 30, 2003, which was the end of the 3rd year of the Consolidated Plan, the County had assisted 124% of the number of persons it planned to serve over the 5-year Consolidated Plan period, and only spent 71% of all CDBG dollars allocated for the various programs. During the reporting period a total of \$788,391 was expended in assisting 9,027 persons through public services.

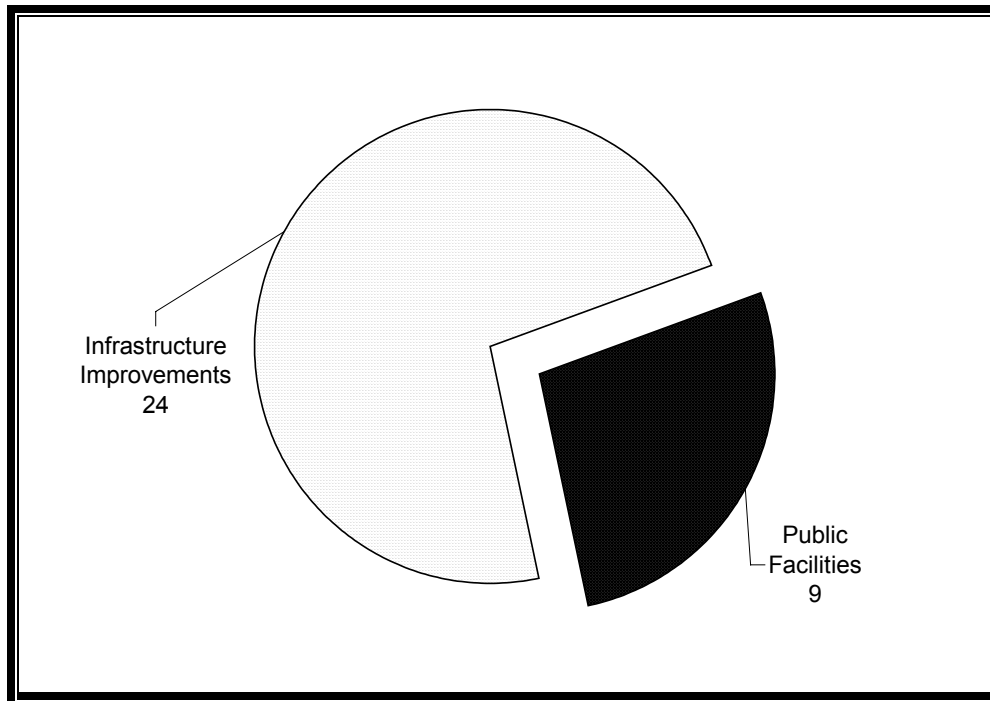
TABLE B: 5-YEAR AND 2002-03 GOALS, AND ACCOMPLISHMENTS FOR PERSONS ASSISTED IN PUBLIC SERVICES (CDBG-FUNDED)				
PROGRAM AREA	NUMBER OF PERSONS ASSISTED			
	5 YEAR GOAL	ACCOMPLISHMENTS TO DATE	2002-03 GOAL	ACCOMPLISHMENTS IN REPORTING PERIOD
Senior Services	10,000	17,844	2,000	2,778
Handicapped Serv.	5,000	7,840	1,000	2,007
Youth Services	20,000	2,509	4,000	690
Empl. Training	100	55	20	23
Crime Prevention	120,000	53,220	24,000	3,000
Health Services	100	1,833	20	0
Homeless Services	15,000	0	3,000	0
Other Public Serv.	10,000	139,361	2,000	529
Totals	180,200	222,662	36,040	9,027
Dollars Expended	\$4,525,000	\$3,226,727	\$905,000	\$788,391

*Note: figures provided by Fresno County HSS. HSS program year runs from October to September. Therefore, figures do not mirror this report's fiscal year totals, but incorporate totals from 12 months with portions in two reporting fiscal years.

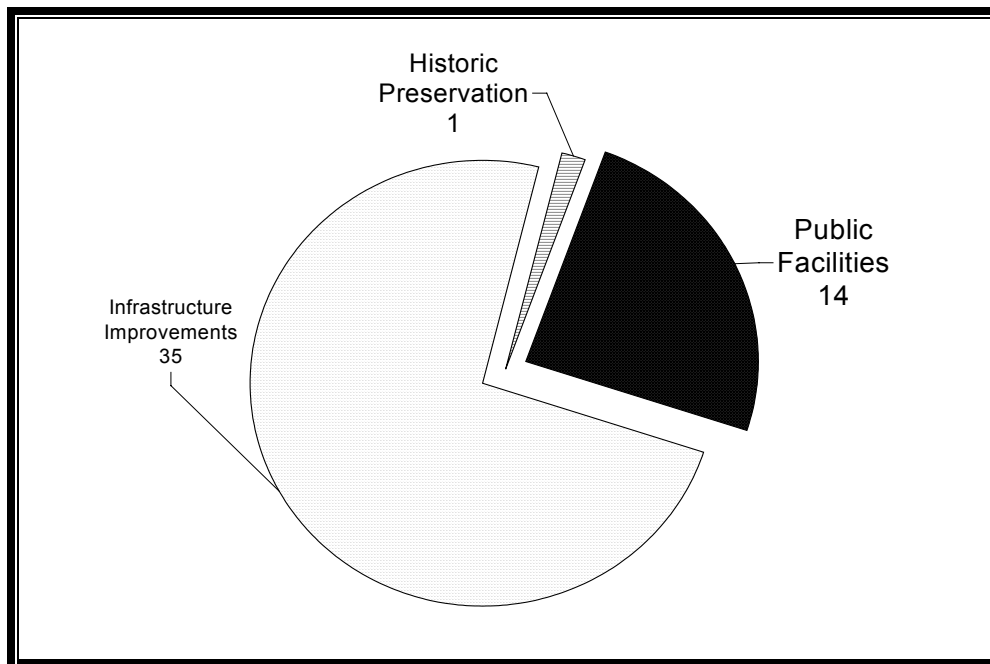
Public Facilities and Improvements

The following charts provide information regarding the number of public facilities and improvement projects assisted, and the number of projects completed, during the reporting period. The Public Facilities category, in the charts, includes activities such as improvements completed to neighborhood, parks/recreation and fire prevention facilities. The Infrastructure Improvements category includes improvements made to street, water and sewer systems. The information in these pie charts is furthered summarized in the narrative for the CDBG Program starting on page 25.

**No. Of Projects COMPLETED
DURING THE REPORTING PERIOD**



**No. Of Projects ASSISTED
DURING THE REPORTING PERIOD**



A total of 33 projects were completed, and 50 projects received CDBG assistance, during the reporting period. All public facility and improvement projects undertaken by the County met the Consolidated Plan goal of providing a suitable living environment for

County residents.

AFFIRMATIVELY FURTHERING FAIR HOUSING

Fair Housing

Fresno County's updated Housing Element was certified by the State on May 22, 2003, and is one of seven Elements included in the Fresno County General Plan Update. The Housing Element assesses current and projected housing needs and sets out policies and proposals for the improvement of housing and the provision of adequate sites for housing to meet the needs of all economic segments of the community. Information gathered is used to develop programs and/or adjust existing programs to assure that all County residents are afforded fair housing choices.

Fresno County is currently updating its Analysis of Impediments (AI) to Fair Housing Choice. The current AI was completed in 1996. The updated AI will provide information from the 2000 U.S. Census and will review the County's progress since 1996 in affirmatively furthering fair housing. The County anticipates the final update of its AI to coincide with the completion of the County's five-year Consolidated Plan for program years 2005-09. The County is currently setting a schedule of community meetings in preparation of the Consolidated Plan document that will include the annual Action Plan and the update to the Analysis of Impediments. The next 5 year Consolidated Plan is due to HUD in the Spring of 2005.

Fair Housing Council of Fresno County

In the program year 2002-03, Fresno County undertook several activities related to fair housing. Of primary importance is the County's continued contract with the Fair Housing Council of Central California (FHCCC) for delivery of services related to affirmatively furthering fair housing for Fresno County residents. The FHCCC has been the County's fair housing service provider since May 2000. During the reporting period, the County of Fresno renewed its contract with the FHCCC for one year, with optional annual renewals for two additional one-year periods.

The FHCCC was founded in 1994 as a private nonprofit fair housing agency dedicated to the creation of racially and economically integrated communities, neighborhood diversity, and the elimination of discriminatory housing practices. The FHCCC provides a comprehensive program of fair housing outreach and education, investigation and enforcement of claims pertaining to fair housing infractions, advocacy, and counseling.

As an enforcement agent empowered by the U.S. Department of Housing and Urban Development (HUD) under the Fair Housing Act, the FHCCC investigates and processes claims of housing discrimination for remedy and relief under the law. During the reporting period, the FHCCC logged 306 complaints from Fresno County residents in the outlying urban areas. However, of that number, only 79 cases resulted in further investigation by FHCCC. The investigative process can be lengthy by the nature of its methodology. Investigation of such claims involves a process of gathering related evidence such as complainant and witness statements, tester evidence that simulates a

housing procurement transaction, and/or obtaining photographs that depict an aspect or aftermath of the alleged discrimination. After thorough investigation, clients are counseled and referred for administrative relief to HUD or the State Department of Fair Employment and Housing for judicial relief through the federal court system.

According to the FHCCC, they are making progress in bringing about change in the housing industry, and have achieved an increasing number of partnerships with insurance providers, banks and mortgage lenders, and property managers. Outreach efforts are expanding to provide new fair housing services in outlying communities including Friant and Malaga, and are providing fair housing information and services to an increasing number of Fresno County residents.

In program year 2002-03, the FHCCC provided 6 fair housing education workshops to housing industry representatives from banking and lending, insurance, landlord/property management, and real estate brokerage firms. The FHCCC also conducted individual training programs with property managers in Del Rey, Sanger, and Selma. Additionally, 21 separate fair housing education and outreach events were conducted for agencies that provide social services or other advocacy services to clients identified as protected class members under fair housing law. Education and outreach services were also provided to the general public residing in the cities of Clovis, Firebaugh, Fowler, Kerman, Kingsburg, Parlier, Reedley, and Sanger, and in the unincorporated communities of Biola and Laton.

In cooperation with Fresno County and various other organizations, the FHCCC hosted the Seventh Annual Fair Housing Conference during National Fair Housing Month in April 2003. The County served as a sponsor and a participant. The County's Affordable Housing Program loan officer participated as a panel member and provided information on the County's Affordable Housing Programs. The programs include the County's Down Payment Assistance Program (DAP), CalHome Housing Program, Mortgage Assistance Program (MAP) and Housing Assistance Rehabilitation Program (HARP), Housing Preservation Grant Program, and Rental Rehabilitation Program (RRP).

Impediments to Fair Housing

Based on a preliminary analysis of complaints logged by the FHCCC, the most frequent types of complaints were of discrimination on the basis of disability status, familial status, national origin, and race. Sixty-eight percent of complainants were female and 32% were male. Thirty-nine percent of complainants were White, 31% were Hispanic, 22% were Black, 3% were Asian or Pacific Islander, and 5% were other races.

However, from the complaints received overall, it can be determined that discrimination is not the only impediment to fair housing in Fresno County. Other types of impediments include: accessibility issues for disabled people; cultural, immigration, and language barriers; lack of affordable housing for low-income residents; lack of proximity and/or transportation to job sites; practices of insurance companies, mortgage lenders, property managers, and real estate agents; and refusal to accept tenants with government subsidies.

The steps the County has taken to address these impediments have primarily involved outreach and education through workshops provided by the FHCCC. During the reporting period, 21 workshops were specifically directed to social service agencies and advocates for persons identified as protected class members, and to housing industry providers such as mortgage lenders, property managers, and real estate agents. The education and outreach workshops are provided as a first intervention step in addressing impediments to fair housing in the County. Another measure taken by the County to mitigate barriers to fair housing is through ongoing involvement and participation with area lenders, housing providers, and local government agencies.

The County of Fresno intends to further address these impediments as it updates its current Analysis of Impediments to Fair Housing Choice (AI). The current AI has identified housing affordability for low- to moderate-income (LMI) households, as the major impediment to fair housing choice in Fresno County. As a result of this analysis, the County has implemented programs to increase the supply or improve the delivery of affordable housing to low- to moderate-income households.

During the program year 2002-03, the County actively addressed the impediment of housing affordability in a number of ways.

- In Clovis, the County helped fund acquisition of property for construction of 140 multifamily units, of which 28 are designated for LMI households. This project is currently under construction and projected to be completed by August 2007.
- Also in Clovis, the County funded the rehabilitation of 30 mobile homes for LMI senior citizens.
- In Del Rey, the County helped fund self-help construction and development of 48 multifamily units for LMI households. This project is currently under construction and projected to be completed by August 2004.
- The County helped fund 32 housing units for LMI households which were displaced from the Tall Trees Mobile Home Park in Malaga. This project was completed in February 2003.
- In Reedley, the County provided 23 zero interest deferred loans to LMI homebuyers for the construction of new homes. This project is currently under construction and projected to be completed by June 2004.
- Throughout the County, the DAP program assisted 61 LMI households to achieve homeownership.
- Throughout the County, the HARP program rehabilitated or reconstructed 27 homes for LMI households.

Community Housing Council

The County, through its Affordable Housing Program (AHP), actively serves as a member of the Community Housing Council (CHC). The CHC is a nonprofit organization committed to strengthening local public and private partnerships to ensure adequate, affordable, and equitable housing opportunities for all members of the community. The purpose of the CHC is to promote fair housing opportunities and to encourage home ownership by providing education, counseling, and financial services to persons seeking homeownership, with a special emphasis towards low- to moderate-income families, as well as minority and non-English speaking families in the community.

Fresno County's Affordable Housing Program loan officer actively serves on the CHC's Two Family Committee. The purpose of CHC's Two Family Committee is to help two families become first time homebuyers this year. The County is working in partnership with other CHC members to provide families with credit and financial counseling, assistance in securing a mortgage, through DAP and CalHome program funds, and other hands-on assistance throughout the home buying process. During the program year 2002-03, Fresno County received 28 applications for first-time homebuyer assistance as a direct result of its participation on the CHC's Two Family Committee. The County is actively working with each family to move them into affordable homes this year.

RentSense and Small Claims Advisor

Another fair housing activity that Fresno County continues to operate is the RentSense prerecorded telephone message system. RentSense is a fully automated tenant/landlord information program, which the County provides as a public service. During the program year 2002-03, the recording gave information to an average of 730 callers monthly in English, Spanish, and Hmong. Other information available through RentSense includes Small Claims Court Advisor services. The County contracts with the San Joaquin College of Law for services provided by the Small Claims Advisor. This service allows citizens to obtain advice on matters pertaining to small claims and landlord/tenant rights. The Small Claims Advisor program served 4,589 individuals during the program year 2002-03.

AFFORDABLE HOUSING

The County of Fresno administers and manages the County's Affordable Housing Programs (AHP), within its jurisdiction. The four major housing programs, which make up the AHP (housing rehabilitation, new housing construction, downpayment assistance, and mortgage assistance) assisted 188 households. Additionally, the City of Clovis, used CDBG funds for two housing programs during the program year.

A variety of housing programs were available for low- to moderate-income Fresno County residents, during the reporting period. Table C below is a breakdown of income levels adjusted by family size, as defined by HUD, for the County of Fresno.

TABLE C: AREA MEDIAN INCOME LEVELS ADJUSTED FOR FAMILY SIZE				
FAMILY SIZE	MAXIMUM FAMILY YEARLY INCOME			
	30%	50%	80%	100%
1	9,616	15,900	25,400	31,800
2	10,900	18,150	29,050	36,300
3	12,250	20,450	32,700	40,900
4	13,600	22,700	36,300	45,400
5	14,700	24,500	39,250	49,000
6	15,800	26,350	42,150	52,700
7	16,900	28,150	45,050	56,300
8	18,000	29,950	47,950	59,900

Source: U. S. Department of Housing and Urban Development (effective January 2003)

The County's AHP housing activities are primarily funded by HUD's CDBG and HOME programs. The following table summarizes the County's 1-year affordable housing accomplishments for the priority needs categories identified in the Consolidated Plan, by income range. The accomplishments show that the County was able to meet the goals established in the 2002-03 FY Action Plan.

TABLE D: 1-YEAR HOUSING GOALS AND ACCOMPLISHMENTS								
PRIORITY HOUSING NEED	0-30% MEDIAN		31-50% MEDIAN		51-80% MEDIAN		TOTAL ACCOMPLISHMENTS	
	GOAL	ACTUAL	GOAL	ACTUAL	GOAL	ACTUAL	GOAL	ACTUAL
Renters	28	20	25	18	0	17	53	55
Owners	5	5	28	43	102	85	135	133
Total	33	25	53	61	102	102	188	188

CONTINUUM OF CARE

The Fresno/Madera Continuum of Care (F/MCoC) is a collaborative group of agencies whose stated mission is to end homelessness in Fresno and Madera Counties in ten years. To this end, the member agencies meet monthly to plan and coordinate the delivery of services to the homeless. The F/MCoC is a Designated Local Board (DLB), which enables the collaborative to set standards ensuring the integrity and quality of services offered by all the member agencies. The governing body for the collaborative planning process is the Executive Board, which is representative of the member agencies within the Continuum. The Executive Board secures funding for staffing and administration, establishes working committees, organizes an annual planning process and oversees the progressive developments within the Continuum.

The F/MCoC also collaborates when seeking grant funds from HUD, thereby giving added strength to proposals submitted as a joint effort under one application. During the reporting period, the F/MCoC was notified by HUD that their Continuum of Care application was selected to receive funding. The F/MCoC received a total award of \$4,491,668. The following table shows F/MCoC member agencies that collaborated on the application, the program the agency sponsored, and the dollar amount funded through the Continuum's application.

TABLE E: FMCoC AGENCIES AWARDED FUNDS	
AGENCY FUNDED	FUNDING AMOUNT
Fresno Housing Authority-CoC Shelter Plus Care (5-year program)	\$2,159,160
Fresno County Economic Opportunities Commission (EOC) - Youth Transitional Living Center (3-year program)	855,126
Poverello House - Naomi's House (3-year program)	1,182,101
Housing Authority-CoC HMIS Information System (1-year program)	295,281
Total	\$4,491,668

The F/MCoC stresses that the key to an effective CoC system includes a well-coordinated year-round planning process addressing the delivery of services to the homeless. To this end, the F/MCoC conducted a "Homeless Access to Care" street survey in 2002 utilizing the resources of the member agencies. The F/MCoC will use the survey results to align the agency's goals with the needs identified in the survey.

OTHER ACTIONS

The County's CDBG and HOME program is administered by the Community Development Division of the County's Department of Public Works and Planning. In an effort to achieve maximum results in the most cost effective manner, the Community Development Division regularly collaborates with other County divisions and departments to accomplish the goals of the CDBG program. Service gaps within the organizational structure of the County are bridged by working with a number of outside agencies. City Redevelopment Agencies, County Housing Authority, private industries, Continuum of Care Collaborative, non-profit Agencies and the Fair Housing Council of Central California are among the groups that continue collaborating with the County to ensure that mutual goals are met. Examples of other actions follow:

The Fresno County Housing Authority offered a wide variety of programs and opportunities for eligible families. Public housing and resident initiative activities are directed toward improving the quality of life for families and include the following programs: Family Self-Sufficiency program, Family Education Center programs and services, the Perfect Attendance, the Karl Falk Memorial Scholarship, Youth Mentor, Building Stronger Families, and Section 3 Resident Employment programs. The County provided the Housing Authority's HUD programs applications with certifications of consistency with the County's Consolidated and annual Action Plans.

As the responsible entity for the administration of the CDBG and HOME programs, the County strictly monitors the progress of all HOME and CDBG projects. Subrecipients of CDBG funds are monitored to ensure compliance with all program regulations and agreement terms and conditions. Regular project site visits are conducted to ensure that contractors are meeting construction performances as scheduled and agreed upon. Staff also regularly contacts homeowners to ensure program regulation compliance. CDBG public facilities and improvements projects are closely monitored throughout the development, implementation and completion stages. Staff works closely with subrecipients to develop a project Agreement that details all conditions required for project completion and program compliance. During the project implementation stage, staff contacts subrecipient representatives on a monthly basis, or more often if needed, to ensure the project is proceeding as scheduled and program regulations are followed.

During the reporting period, the County provided lead-based paint testing services to 11 households during the rehabilitation of their homes. The County contracts with an outside service provider that is certified for lead-based paint testing. The contracted service provider furnishes the County with reports and appropriate abatement specifications for its rehabilitation projects. All eleven projects were given certified clearances from the risk assessor prior to being re-occupied.

LEVERAGING RESOURCES

Affordable Housing

During the reporting period, the County leveraged CDBG and HOME affordable housing funds with grant funds received from the State of California Department of Housing and Community Development's CalHome Program and the United States Department of Agriculture's (USDA) Housing Preservation Grant (HPG) Program.

The CalHome Program grant funding, awarded in 2001 in the amount of \$500,000, is scheduled to be completed in October 2004. CalHome funds provided mortgage assistance for low income first-time homebuyers and rehabilitation assistance for low income owner-occupant households. During the reporting period, the County funded two mortgage assistance loans and two home rehabilitation loans in the unincorporated County area.

In August 2002, the County received an award of \$92,197 in HPG Program funding for housing rehabilitation. During the reporting period, rehabilitation activities included pre-application screening and loan processing

Following is brief summary of the housing assistance offered by other local and federal programs. This section starts with a brief description of housing programs funded with local dollars that are administered by cities participating in the County's Entitlement Program, and concludes with descriptions of additional housing programs available to County residents administered by other local and federal agencies.

CITY OF CLOVIS

The City of Clovis has partnered with the Pacific Housing and Finance Agency (PHFA) for its newly improved Lease-to-Own program. The City of Clovis works with the agency to offer lease-to-own loans to eligible households, and the PHFA administers the program. The program offers lease-purchasers a low-interest lease for 24-39 months. After the lease period, the lease-purchaser has the right to exercise the option to purchase the home by assuming the existing mortgage at a competitive interest rate. One Clovis household was assisted with this program during the reporting period.

The City of Clovis also provided housing assistance in partnership with the University Hope Foundation and Fresno City College students. Two homes were built for two low-income families. In addition, the City of Clovis also markets the Mortgage Credit Certificate (MCC) Program to City residents. The MCC program is discussed under activities administered by the Fresno Housing Authorities, beginning on page 16.

CITY OF COALINGA

The City used redevelopment tax increment funds to provide down payment assistance for seven households. Of the households assisted, three had incomes in the 31-50% of AMI range and four had incomes in the 51-80% of AMI range. The down payment assistance provided averaged \$2,875 per household. The City of Coalinga does not collect applicant ethnicity data.

CITY OF REEDLEY

The City of Reedley administered and funded two home rehabilitation programs using redevelopment funds. Five households received assistance from the House Painting Grant Program, which offers a maximum grant of \$2,500 to paint homes. Another two households received assistance from the Emergency Rehabilitation Grant Program. The program provides a maximum grant of \$2,500, for home repairs. Five homeowners had incomes below 50% of AMI and two had incomes between 51-80% of AMI. Of the seven families receiving assistance, five families were Hispanic and two were White.

CITY OF SANGER

The City of Sanger Redevelopment Agency funded two housing rehabilitation programs. The "Home Improvement Loan Program" provides low interest loans of up to \$15,000 to assist home owners in making health and safety repairs. Three Hispanic and two White homeowners benefited from this program. One homeowner had income at the 0-30% of AMI range, one at the 31-50% range, one homeowner had income between 51-80% of AMI, and two homeowners had incomes at the 81-100% range. The Agency also funds the "Senior House Painting Program" to paint the exterior of homes owned by seniors. Twenty elderly homeowners were assisted during the reporting period. Of these, 18 were Hispanic and 2 were White. Five had incomes at 0-30% of AMI, twelve had incomes at 31-50% of AMI, and three had incomes at 51-80% of AMI.

The City of Sanger also funded a Downpayment Assistance Program (DAP) using its redevelopment tax increment funds. Three households received zero interest secondary loans of up to \$2,700 to be used as down payment on the purchase of a new or existing home. Of the households receiving assistance, two were Hispanic and 1 household was White. All three households had incomes at the 81-120% of AMI range.

UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)

USDA's Rural Development provided assistance to eighteen (18) very low-income senior homeowners through its Section 504 Home Repair Grant Program. A total of \$126,500 was made available through this program for home repairs. Rural Development reported that thirteen homeowners were Hispanic, 2 were White, 2 were African American and 1 was Asian.

USDA also provided homebuyer assistance through its Section 502 Direct Loan and Loan Guarantee Program. Sixty-two (62) households purchased homes through USDA Rural Development. The loans totaled \$4,822,129. Forty-four (44) households had very-low incomes and eighteen households were low income. One homeowner was of Yemeni decent and the rest were Hispanic.

FRESNO CITY AND COUNTY HOUSING AUTHORITY

The Fresno City and County Housing Authority (Authority), a single agency more commonly known as the Fresno Housing Authority, is the primary provider of low-income rental housing assistance for Fresno County. Below are brief descriptions of several housing programs administered by the Fresno Housing Authority within the County. The County supports the Housing Authority in its effort to provide affordable rental housing for County residents.

Homeownership Opportunity Program:

The Fresno Housing Authority provides homeownership opportunities to families residing in Authority-owned and managed scattered site single family houses in Fresno County. Families living in these rental houses have the option of purchasing the house through the Authority's Homeownership Opportunities Program. Residents agree to do the ongoing routine maintenance, i.e. landscape maintenance and minor repairs on the home, and in exchange the Housing Authority sets aside this cost savings in an escrow account for the family. When a sufficient amount is available, the resident can use the set aside funds as a down payment on the purchase of that house. During the reporting period, the Housing Authority sold eight houses to occupants under this program.

Housing Choice Voucher Program:

The Fresno Housing Authority administers the U.S. Department of Housing and Urban Development's (HUD) Housing Choice Voucher Program (formerly the Section 8 Program). The Housing Authority reports that approximately 12,500 low-income families in Fresno County received rental housing (privately owned) assistance during this past reporting period. During this reporting period, the Housing Authority also applied to HUD for an additional 625 new rental housing vouchers to assist additional low-income families.

Conventional Public Housing:

The Housing Authority owns and manages 2,106 conventional public housing units in the City and County of Fresno. During this past reporting period, the Authority expended \$2,239,600 from its Capital Fund Program to remodel and rehabilitate five conventional housing projects in Del Rey, Firebaugh, Fowler, Huron, Laton, Mendota, Orange Cove, Reedley, Sanger, and Selma. These housing projects are all occupied by renter households earning less than 80% of AMI. A total of 319 units were rehabilitated.

Mortgage Credit Certificates (MCC):

The Fresno Housing Authority administers the state funded MCC Program throughout Fresno County including the City of Fresno. During the reporting period 45 first-time home buyers were assisted through the MCC Program. The program allows qualified households to subtract 15% of the interest paid on their mortgage each year from their annual tax liability. The tax credit may be taken each year for as long as the owner occupies the residence and maintains the original mortgage. Area lenders use the tax credit program to help families qualify for their first mortgage. When calculating the family's household income, the estimated dollar credit is added to the household's annual income thereby increasing the family's income and in turn their ability to afford the mortgage payment. The Fresno Housing Authority does not collect ethnicity or race information for this program.

HOUSING SUMMARY

In summary, a total of 80 households became homeowners through assistance provided in the programs discussed above. Of the programs that tracked participant's income, 47 buyers had incomes at 31-50% of median, 22 families had incomes at 51-80% of median and 3 had incomes above 80% of median. Additionally, 50 homeowners received housing rehabilitation assistance through the programs described above. Of these,

6 homeowners had incomes in the 0-30% of AMI, 36 had incomes in the 31-50% ranges, 6 had incomes in the 51-80% range and 2 had incomes above 80% of AMI.

Public Facilities and Improvements

STATE OF CALIFORNIA

Department of Health Services:

During the reporting period, the County submitted an application to the California Department of Health Services (DHS) for grant funding to construct a water distribution system in Raisin City. The DHS operates the Safe Drinking Water State Revolving Fund Program (SDWSRF) to provide subsidized funding to public water systems to correct infrastructure problems, to assess and protect source water, and to improve technical, managerial and financial capability.

The \$600,000 grant application for the SDWSRF was submitted in December, 2002. The County was notified that the application was accepted, and the County was selected to receive a grant award. State funds will be leveraged with CDBG funds to complete the design engineering and construction of the water system. The County expects to start construction of the project during the 2003-04 FY.

Department of Housing and Community Development:

During the reporting period, the County applied for and received approval of a grant award in the amount of \$64,700 from the Jobs-Housing Balanced Incentive Program (JHBP) to reconstruct Eleventh Street in the Fresno County community of Calwa. The JHBP encourages new housing construction by awarding grant funds for use in local capital improvement projects. Grant funds are awarded to local government agencies that increased the issuance of building permits for new housing units by at least 112%. The County will enter into an agreement for the funding during the 2003-04 FY and expects to start construction on the project during the same time.

During the reporting period, the County executed an Agreement with the Del Rey Community Services District for implementation of the Central Valley Infrastructure Grant (CVIG) Program. Grant funds in the amount of \$400,000 were awarded to the County by the California Department of Housing and Community Development in the previous reporting period. The project will expand the District's Wastewater Treatment Plant to allow the existing packing houses to connect and discharge waste to the community sewer system. It is estimated that the project will result in the retention of over 250 jobs in the community. The project is scheduled to be completed in December 2004.

Additionally, during the reporting period, the County received assistance from the California Integrated Waste Management Board to clean up and abate a waste tire pile posing a potential health and safety hazard, in the community of Del Rio. The \$5,000 grant provided for the safe disposal of 3,949 tires from an illegal dump site in the community.

CITIZEN REPORT

The CAPER was available for public review and comment from September 1 - 17, 2003. Pursuant to a public notice in the Fresno Bee, the Consolidated Plan Committee scheduled a public hearing on September 17, 2003, to review this CAPER and obtain citizen comments on housing and community development needs. The CAPER was also mailed to the cities participating in the Fresno County Urban County CDBG Program, members of the Citizens Advisory Committee and to other interested parties. No comments were received at the public hearing or during the public review and comment period. A copy of the public notice has been included on page 20.

Insert Public Notice Here

SELF-EVALUATION

During the reporting period, the County found that participation in the County's Downpayment Assistance Program decreased due to factors beyond the County's control (see narrative on page 32). Additionally, the County experienced escalating rehabilitation and reconstruction costs for housing contract work under the County's Housing Assistance Rehabilitation Program (HARP).

The decrease in the number of applicants for downpayment assistance is attributed to the rising cost of housing in the Fresno County area coupled with a disproportional rise in family incomes. While housing costs have escalated by 28.8% from 2002-03, family incomes in the area have only increased by 13% in the same time period. Even though the County offers up to \$6,000 in zero interest downpayment assistance, very-low and low-income families still cannot afford the price of the housing. The County will continue to research other opportunities to provide enhanced housing assistance to lower income households.

The County will pursue expanding its partnerships with CHDOs, such as the Housing Assistance Corporation and Self-Help Enterprises, to provide new housing construction that can be affordable to lower income families. During the past year the County provided 55 new homes to former renter households, through its collaboration with CHDOs. The County will examine the benefits of its relationships with CHDOs to consider the future of housing assistance provided by the County.

During the reporting period, the County met HUD's timeliness expenditure requirements five months ahead of schedule (November, 2002). The County was able to finish 10 more public facility and improvement activities this year than in the previous reporting period. The County continues to work closely with all subrecipients to ensure that all activities are completed as scheduled and that they follow program regulations.

While the County continually strives to complete projects in a timely manner, from time to time, projects are delayed due to unusual circumstances. One such activity is the CDBG infrastructure project for the community of Del Rio. The residents of Del Rio initiated annexation procedures to the neighboring City of Firebaugh. The annexation process had been slow and delayed the CDBG project in the past. The annexation of Del Rio was approved by the Local Agency Formation Commission (LAFCo) on December 5, 2002. During the reporting period, the City of Firebaugh completed all of LAFCo's requirements to finalize the annexation. LAFCo filed the annexation approval with the State Board of Equalization in August, 2003. Construction of the infrastructure improvement project will begin in early 2004.

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PROGRAMMATIC NARRATIVES

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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Funding for Community Development Block Grant (CDBG) activities came from the entitlement allocation of \$5,630,000 and program income. In the 2002-03 FY Action Plan, funds were budgeted as follows:

CDBG Projects in Cities.....	\$2,162,149
Public Facilities and Improvement Projects (unincorp).....	750,000
Housing Rehabilitation Programs.....	550,000
Sheriff's Area Based Policing Program	552,260
Social Services Programs	232,240
Fair Housing.....	35,000
CDBG Housing Program Administration	755,779
General Management Oversight and Coordination	1,170,938
Indirect Cost	34,559
Public Information	5,000
Total	\$6,247,925

The CDBG allocation from HUD is shared with nine cities and the unincorporated area within the County. The funds for the unincorporated areas were divided into four major program areas: public facilities and infrastructure improvement projects, housing rehabilitation, the Sheriff's area based policing program, and social services. This chapter of the CAPER provides accomplishment narratives for these four program areas.

Public Facility and Improvement Projects

Public facilities and improvement projects fund infrastructure, fire stations and equipment, parks, libraries, and community centers in predominantly low- and moderate-income areas to address suitable living environments for low- and moderate-income persons in the County. A large part of providing suitable living environments in Fresno County means providing safe and adequate water supplies in each city and town in the County's jurisdiction. To accomplish this objective, CDBG projects funded community water and sewer systems and improved street and drainage systems. Additionally, projects that improved quality of life and accessibility were also addressed. These included, new or rehabilitated streets, recreational facilities, parks, community centers, senior centers and projects that addressed ADA compliance.

The need and demand for assistance in the rural communities is consistently greater than the resources available. In an effort to address the most serious needs, proposed projects are accepted annually and reviewed for activity eligibility and compliance with the national objectives of the CDBG program. The priority ranking and funding of eligible projects is driven by the citizen participation process.

Citizen Participation Process

Fresno County has a three-stage citizen participation process that is used in preparing the County's annual Action Plans. At the first stage, public meetings in each city and

unincorporated communities are held to discuss local needs and priorities. The second stage involves two steps. Applications received are first screened for CDBG compliance by staff. Eligible proposals are then presented to the Citizens Advisory Committee (CAC). The CAC, which is appointed by the Board of Supervisors, reviews and ranks all requests for funding in unincorporated areas. The CAC cycle of meetings begins in September with a public hearing in which the public is provided the opportunity to comment on the County's progress in meeting its CDBG and HOME performance goals. At this hearing the CAC approves the CAPER for submission to HUD. The third stage of the citizen participation process involves two public hearings conducted by the Board of Supervisors. The first hearing, in January of each year, establishes the levels of CDBG funding for public services, housing rehabilitation, and public facilities and improvements in the unincorporated areas. At a second public hearing in April, the Board considers and approves the entire Action Plan, which includes projects submitted by the cities and projects ranked by the CAC for unincorporated areas.

In FY 02-03 the CAC met six times to review and rank projects in the unincorporated area. On September 17, 2003, the CAC and representatives from the cities met as the Consolidated Plan Committee (CPC) and reviewed the County's FY 2002-03 performance and considered whether the Consolidated Plan should be amended. CAC meetings to review and rank projects for unincorporated areas will take place through spring 2004. At that time, the CPC will convene to review the Action Plan and make its recommendations to the Board of Supervisors for projects to be funded in the 04-05 FY.

Public Facilities and Improvements Completed Activities

Table F, on page 27, shows the 5- and 1-year goals and accomplishments on public facilities and improvement projects. It illustrates the actual projects completed measured against stated goals from the County's Consolidated Plan for FY 2000-04 and the County's annual Action Plan for FY 02-03. During the reporting period the County completed 34 of the 23 projects planned for that period. A total of \$4,230,741 in CDBG funds was utilized to complete projects that addressed public facility needs (\$827,986), infrastructure improvements (\$3,386,218), and planning needs (\$16,537).

Table F further shows that the County has surpassed its 5-year goal of 75 projects by completing 107 projects in the first 3 years of the Consolidated Plan reporting period. From July 1, 2000 through June 30, 2003 the County has expended a total of \$14,187,794 for projects benefiting low- and moderate-income persons.

Table G, on page 27, lists the project expenditures during the reporting period. Of the total project expenditures in FY 02-03, 46% (\$1,424,554) was for improvements to streets, curbs, gutter, sidewalks and storm drainage facilities in the cities and towns of Fresno County. The second largest portion of CDBG dollars (\$782,905 or 25% of total expenditures) went to water system improvement projects. These kinds of infrastructure projects are categorized as High Priority activities in the 2000-04 Fresno County Consolidated Plan. In addition, 16% of expenditures were used to fund public facility projects which are identified as Low Priority activities in the Consolidated Plan (i.e. parks, senior and neighborhood facilities). The cumulative total of these expenditures listed above, which makes up 87% of all expenditures for FY 02-03, is

consistent with the County's Consolidated Plan, whose goal was to provide a suitable living environment for County residents.

TABLE F: FIVE-YEAR AND 2002-03 GOALS, AND ACCOMPLISHMENTS FOR PUBLIC FACILITIES AND IMPROVEMENTS (CDBG-FUNDED)

PUBLIC FACILITY AND IMPROVEMENT NEED	NUMBER OF ACTIVITIES ASSISTED			
	5 YEAR GOAL	ACCOMPLISHMENTS TO DATE	2002-03 GOAL	ACCOMPLISHMENTS IN REPORTING PERIOD
Public Facility Need	6	26	3	9
Infrastructure Improvements	68	74	17	24
Accessibility Needs (ADA)	1	5	2	0
Historic Preservation	0	2	0	0
Totals	75	107	23	33
Dollars Expended	\$12,000,000	\$ 14,187,794	\$2,431,606	\$ 4,214,204

TABLE G: 2002-03 EXPENDITURES FOR PUBLIC FACILITIES AND IMPROVEMENTS PROJECTS

	FY 02-03 EXPENDITURES	
	Projects	Dollars
Public Facility Needs		
Senior Centers	1	\$3,402
Neighborhood Facilities	3	\$146,542
Parks/Recreation Facilities	8	\$353,363
Other Public Facilities (Fire Prevention)	2	\$56,957
Infrastructure Improvements		
Street/Curb/Gutter/Sidewalk/Drainage Imps	19	\$1,424,554
Water System Improvements	8	\$782,905
Sanitary Sewer Systems Improvements	8	\$267,000
Historic Preservation (Non-Residential)	1	\$82,929
Totals	50	\$ 3,117,652

*Funds expended for projects completed in FY 02-03 list total project cost including dollar amounts expended in prior year(s)

Housing Rehabilitation Programs

During the reporting period the County used both CDBG and HOME funding for housing rehabilitation activities. A total of \$961,986 in CDBG funds was used to assist 16 homeowners repair their homes. A summary of the County's Housing Assistance Rehabilitation Program (HARP) can be found in the Housing Rehabilitation narrative on page 35.

Economic Development Activities

The County provided \$16,896 in CDBG funds to the I-5 Business Development Corridor, Inc. (I-5 BDC), in collaboration with the Economic Development Corporation serving Fresno County (EDC), to create an inventory of available industrial and commercial land in western Fresno County cities and communities. The I-5 BDC completed the planning activity during the reporting period. The inventory will be used to support business expansion and location inquiries.

The County assisted the (EDC) in mapping nine (9) possible sites for a 1,000-acre industrial theme park in the unincorporated area. The map identifies potential sites that are not under land conservation contract. The map also shows flood zones and archaeologically sensitive areas. The site information will be incorporated into the Regional Jobs Initiative, which is a public/private partnership to create 25,000 new jobs over the next five years. The County assisted the EDC and the City of Kerman map an inventory four separate 250-acre sites for a proposed warehouse distribution facility. The proposed project will create upwards of 600 jobs in the \$10.00 - \$12.00 per hour pay range. The prospective company is actively working with the city to secure land in the Kerman area for the project. The County prepared an inventory of vacant industrial-zoned property in the unincorporated area for the EDC. This data also supports the Regional Jobs initiative. The project was completed during the reporting period.

During the reporting period, the County executed an Agreement with the Del Rey Community Services District for implementation of the Central Valley Infrastructure Grant (CVIG) Program. Grant funds in the amount of \$400,000 were awarded to the County by the California Department of Housing and Community Development in the previous reporting period. The project will expand the District's Wastewater Treatment Plant to allow the existing packing houses to connect and discharge waste to the community sewer system. It is estimated that the project will result in the retention of over 250 jobs in the community. The project is scheduled to be completed in December 2004.

The County of Fresno received a \$15,000 LEGACI grant from the Great Valley Center to conduct a series of community workshops to develop a shared vision for the Golden State Corridor. The Golden State Corridor stretches 13.5 miles from Conejo Avenue in Kingsburg on the south, to American Avenue, north of the City of Fowler. The Corridor is bounded by State Highway 99 on the west, and the Union Pacific Railroad (adjacent to the old Highway 99 - Golden State Boulevard) on the east. The unincorporated area of the Corridor includes agriculture and industrial uses. There is a great potential for the Corridor to serve as an economic engine for the County and the cities.

Since 2001, the County and the cities of Fowler, Selma and Kingsburg have collaborated in a joint planning and economic development effort to improve the Golden State Corridor. The Community Vision for the Golden State Corridor Report, prepared by a consultant team, has been completed. The report presents a vision statement as well as specific goals and objectives for the economic development of the Corridor. The report was presented at a joint meeting of the Board of Supervisors, City Councils of Fowler, Selma and Kingsburg, and their respective Planning Commissions, in August, 2003. The next phase of the project will include master planning and the development of related implementing mechanisms. This next phase will likely involve innovative approaches and new policy development in collaboration with the three cities to implement the strategies and enable the Corridor region to become more economically competitive.

The County of Fresno is a member/sponsor of the Yosemite/Sequoia Resource Conservation and Development Area (RC&D) and, during the reporting period, participated in the formation of the San Joaquin Valley RC&D. The RC&D program was initiated by USDA in 1962 to help people care for and protect their natural resources and improve their area's economy, environment, and living standards. The Natural Resources Conservation Service provides financial and staffing support to the RC&D councils. Most RC&D funding comes for grants received from local, state, and other federal agencies.

The Yosemite/Sequoia RC&D area covers the foothill regions of Mariposa, Madera, Fresno, and Tulare Counties. The mission of the Yosemite/Sequoia RC&D is to promote quality and aesthetic value of our cultural, environmental, and recreational resources by improving the quality of life through sustainable, diverse economic development.

The County of Fresno participated on the steering committee to form the San Joaquin Valley RC&D. The San Joaquin Valley RC&D covers the valley floor areas of Fresno, Kern, Kings, Madera, Merced, Stanislaus, and Tulare Counties. The mission of the proposed San Joaquin Valley RC&D is to serve as a forum for the needs and interests of residents, business, and agriculture, to provide economic resources to develop comprehensive solutions to area needs and to support and encourage a collaborative effort in improving the quality of life for Valley residents. The steering committee submitted an application to USDA for designation as a RC&D in March of 2002. The area has not received its designation as RC&D. The steering committee will continue its efforts to receive a RC&D designation from USDA in the coming year.

CDBG for Social Services

In addition to the funds provided through the ESG Program, the County annually sets-aside a portion of its Community Development Block Grant (CDBG) Program allocation for social and public service agencies. These funds are used to help address the unmet and/or under-served needs of County residents. In the 2002-03 fiscal year, the County made available \$844,500 in CDBG Program funds for these services. The dollar amount expended and obligated during the fiscal year, represents 13% (\$808,293) of the County's FY 02-03 allocation plus program income from FY 01-02 (Exhibit 1: Financial Summary)

PUBLIC SERVICE CRIME PREVENTION

Public service crime prevention activities funded with CDBG, during the 2002-03 fiscal year, were carried out by the County Sheriff's Department Area Based Policing Program. The Area Based Policing Program provides education, prevention, intervention, and law enforcement services to the unincorporated areas of the County through a variety of programs. These programs include: Cops in Schools, Gang Resistance Education and Training, the Sheriff's Activity League, the Multi Agency Gang Enforcement Consortium, Operation Safe Streets and Camp Dare. Activities are carried out by Community Services Officers, deputies, student professional workers, and administrative support staff. The Sheriff's Department reported that approximately 3,000 persons were assisted through these programs during the reporting period.

SOCIAL SERVICES

The County's social services activities are administered through the County's Human Services System. The Human Resources Advisory Board advises the Board of Supervisors regarding CDBG allocations for social services. Additionally, the City of Clovis administers two social services activities. The City annually sets aside a portion of its CDBG allocation for these two programs. Funding is provided for the creation of jobs for ten disabled youth, from low income families, to paint homes owned and occupied by low income senior citizens. Funds are also provided for the creation of jobs, for low income youth, to landscape publicly owned property in the City of Clovis.

Table H, below, lists the nine agencies that received CDBG funds for public services activities during the 2002-03 program year. In addition to the activities outlined on Table H, the County also provides funding the Fair Housing Council of Central California to deliver services related to affirmatively furthering fair housing for Fresno County residents. A summary of the County's fair housing activities can be found on page 8.

TABLE H: FY 2002-03 CDBG ALLOCATION FOR SOCIAL SERVICES	
Agency	Amount Allocated
California Association of Physically Handicapped	\$17,153
Senior Services Program of Catholic Charities	\$12,249
Friendship Center for the Blind	\$49,811
Boys & Girls Clubs of Fresno County	\$45,472
Exceptional Parents Unlimited, Inc.	\$42,636
Family Crisis Network	\$23,400
EOC Sanctuary	\$41,519
Sheriff's Dept. Area Based Policing	\$552,260
City of Clovis Summer Youth Activities	\$60,000
Total	\$844,500

Financial Summary

The Financial Summary for the Community Development Block Grant Program (Exhibit 1) contains key information regarding the CDBG Program. The total amount of CDBG funds expended on planning activities and administration, including housing and public facilities project administration, is \$967,080. This is 14% of the maximum allowed amount, which is 15%.

Other Program Requirements

Federal regulations require that at least 70% of the CDBG funds be spent to address the needs of low and moderate income persons. The County has consistently spent 90% to 100% of its funds to address this objective. In FY 2002-03, 97% of the CDBG funds addressed the needs of low and moderate income persons.

It is the general policy of the County of Fresno to avoid displacement to the greatest extent possible as it administers the CDBG and HOME programs. The County takes all reasonable steps to minimize the displacement of families, individuals, businesses, nonprofit organizations, and farms. No persons were permanently displaced as a result of any CDBG funded public facilities projects or any other CDBG or HOME funded activity.

HOME INVESTMENT PARTNERSHIPS (HOME)

Funding for the HOME Investment Partnerships projects comes from the entitlement allocation of \$2,009,000 and program income, primarily housing loan proceeds. The allocation of funds for housing and the needs addressed, reflect the needs discussed in the Consolidated Plan for Fiscal Years 2000-04. During the reporting period, 188 households were assisted with FY 2002-03 CDBG and HOME funds. HOME Program funds are administered by the County's Affordable Housing Program (AHP). The AHP includes three HOME-funded housing programs: homebuyer assistance, housing rehabilitation, and CHDO programs. Below is a summary of the accomplishments for the three programs. The housing rehabilitation program summary includes information on both CDBG and HOME-funded activities.

Homebuyer Assistance Programs

Within Fresno County, low and moderate income homebuyers had an array of housing assistance programs to assist them with the purchase of a home. The County's AHP administers two homebuyer programs: the HOME-funded Downpayment Assistance Program (DAP) and the State funded CalHome Mortgage Assistance Program. Several other homebuyer programs are administered through other agencies. These are further discussed on page 15. Some of the programs were restricted to first-time buyers but many others offered down payment assistance to families who met income and underwriting criteria and whose purchase would be their primary place of residence.

DAP - FRESNO COUNTY

The County's DAP program provides zero interest, deferred payment loans to eligible families. During the reporting period, the maximum DAP loan amount was increased from \$4,000 to \$6,000. In previous years, the County found that an increasing number of families were requesting the previously-set maximum DAP loan amount of \$4,000. In Spring 2003, the Fresno County Board of Supervisors approved an increase to the DAP loan amount, to a maximum of \$6,000, to better meet the needs of County residents.

The DAP program dovetails with private lending practices, and is popular with real estate sales personnel, lenders, and buyers alike. The buyer must provide 3% of the purchase price and qualify for a primary loan from a customary lender. Real estate professionals market the program, which minimizes the cost of administration.

During the reporting period, the County funded 61 DAP loans with HOME funds for a total investment of \$222,221. These figures represent a 41% decrease compared to the previous reporting period.

The DAP program has seen a significant decrease in participation because of the strong local housing market coupled with historically low interest rates. The strong housing market has driven up the prices of homes in the Fresno area. According to the Fresno Association of Realtors, the average price of homes sold in the area went up by 28.8% within the last year (\$139,222 to \$179,335). Yet, the area's median income only rose by 13%. The County can thus deduce that lower income clients cannot afford the cost of purchasing a home even when provided housing assistance.

Another factor affecting our DAP housing program is that more moderate income households are able to qualify for conventional loans because of the economy's low interest rate. Therefore, lenders prefer to work with these type of loans that can be processed more quickly, rather than government subsidized loans that require more paperwork.

The median household income of all families assisted was 66% of AMI, or \$27,612. Household incomes ranged from a low of \$17,458 to a high of \$41,709. A breakdown of the income levels based on HUD income limit percentages is shown in Table I below.

The County's DAP applicants were representative of the households residing in the County's unincorporated and rural communities. The ethnic composition of the families assisted through the County's DAP program in FY 2002-03 is illustrated in Table J below. Also, Table K (page 34) details the geographic distribution of the County's DAP loans.

TABLE I INCOME PERCENTAGE LIMITS OF HOUSEHOLDS ASSISTED BY DAP		
HUD LIMITS	NO. HOUSEHOLDS	PERCENTAGE OF ASSISTED
0-30% (very very low)	0	0%
31-50% (very low)	4	7%
51-80% (low/mod)	57	93%
81-100%(mod/median)	0	0%
TOTAL	61	100%

TABLE J ETHNICITY OF HOUSEHOLDS ASSISTED BY DAP		
RACE/ETHNICITY	NO. HOUSEHOLDS ASSISTED	PERCENTAGE OF ASSISTED
Hispanic	51	84%
White	5	8%
Asian/Pacific Islander	3	5%
Black	2	3%
TOTAL	61	100%

TABLE K DISTRIBUTION OF COUNTY DAP LOANS BY LOCALITY		
LOCALITY	NUMBER OF LOANS	DAP FUNDS
Calwa	2	\$ 6,350
Clovis	1	4,000
East Fresno	4	13,797
Firebaugh, City of	11	40,731
Fresno, Scattered Unincorp.	1	2,113
Kerman, City of	7	26,867
Mayfair	5	16,282
Parlier, City of	12	46,456
Riverdale	2	4,810
Reedley, City of	1	2,219
Sanger, City of	10	39,232
Selma, City of	4	16,479
Tranquillity	1	2,885
TOTAL	61	\$ 222,221

During the reporting period, the percentage of DAP loans processed at or above the previous maximum loan amount of \$4,000 was 57%. This statistic has risen steadily over the last several years (see Table L below). The County finds that each year, additional families request a higher DAP loan amount to ensure housing affordability. The County will continue to evaluate the DAP loan amounts requested to ensure the maximum allowed loan fits the needs of the households requesting DAP assistance.

TABLE L: PERCENTAGE OF DAP LOANS AT THE MAXIMUM LOAN AMOUNT (\$4,000) BY FISCAL YEAR	
FISCAL YEAR	PERCENTAGE
1998-99	28%
1999-00	46%
2000-01	52%
2001-02	56%
2002-03*	57%

* Includes 3 loans above \$4,000

During FY 2002-03, house sales prices, for homes purchased through the County's AHP, ranged from \$65,000 to \$149,950. In the previous fiscal year, house sales prices ranged from a low of \$61,500, to a high of \$137,820. The median sales price was \$96,000, compared to \$94,950 in FY 2001-02. The increase in the median sales price of houses in the County, coupled with the consistent rise in the percentage of DAP loans processed for the \$4,000 loan amount substantiated the need for the County to increase the maximum DAP loan amount to \$6,000.

Housing Rehabilitation

Housing Assistance Rehabilitation Program

One of the programs operated by the Affordable Housing Program (AHP) is the Housing Assistance Rehabilitation Program (HARP). The County assisted 27 low- to moderate-income homeowner households through its owner-occupied rehabilitation program. Homeowners received zero interest loans for moderate to substantial repairs to their homes.

The average homeowner loan was approximately \$64,878. In all, a total investment of \$1,751,697 was made available to County households through this program. The total includes \$961,986 in CDBG funds and \$789,711 in HOME funds. Demographic and income information for the homeowners assisted through the HARP program (with HOME or CDBG funds) is illustrated in Table M, below, with a summary following on page 36. Table M also identifies the amount and source of funds used, and the project location.

TABLE M: HOME & CDBG FUNDED OWNER OCCUPIED PROJECTS COMPLETED						
ANNUAL INCOME	EH*	FHH*	ETHNICITY	SOURCE OF FUNDS		PROJECT LOCATION
				CDBG	HOME	
8,472.00	YES	YES	White	25,000		Unincorporated
8,544.00	YES	YES	Hispanic		85,000	Reedley
8,784.00	YES	YES	Hispanic	78,000		Unincorporated
8,784.00	YES	YES	Hispanic	69,395		Unincorporated
8,784.00	NO	YES	Hispanic		135,104	Reedley
9,852.00	YES	YES	White	40,000		Unincorporated
11,328.00	NO	YES	Hispanic	29,000		Unincorporated
11,664.00	YES	NO	Hispanic	74,732		Unincorporated
12,220.00	NO	YES	Hispanic	74,997		Unincorporated
12,396.00	YES	YES	White		35,200	Unincorporated
13,232.00	NO	YES	White		15,933	Unincorporated
14,647.00	NO	NO	Hispanic		93,578	Selma
15,420.00	NO	NO	Black	73,290		Unincorporated
16,524.00	YES	NO	White	112,965		Unincorporated
17,112.00	YES	YES	White	72,939		Unincorporated
17,892.00	YES	NO	Hispanic		99,651	Reedley
17,970.00	YES	NO	Hispanic		74,906	Reedley
20,004.00	YES	NO	Hispanic	56,805		Unincorporated
21,216.00	YES	NO	Hispanic		94,871	Unincorporated
23,400.00	NO	YES	White	86,999		Unincorporated
23,940.00	NO	YES	Hispanic		41,370	Unincorporated
24,058.00	NO	YES	Hispanic		89,098	Unincorporated
24,209.00	NO	NO	Asian	35,480		Unincorporated
24,960.00	NO	YES	White	29,996		Unincorporated
25,139.00	NO	NO	Hispanic	19,990		Unincorporated
27,595.00	YES	NO	Hispanic		25,000	Reedley
28,164.00	NO	NO	Hispanic	82,398		Unincorporated
Subtotal				\$961,986	\$789,711	
Total CDBG and HOME Funds				\$1,751,697		

*EH = Elderly Homeowners; FHH = Female Head of Household

SUMMARY
Program Median Family Income: 48% (\$16,524)
Households by Income Range, adjusted for family size: 0-30% (1 HH); 31-50% (14 HH); 51-80% (12 HH)
Elderly Homeowners (EH): 14
Female Heads of Household (FHH): 15
Ethnicity of Households: White (8), Hispanic (17), Black (1), Asian (1)

CITY OF CLOVIS

Using its CDBG allocation, the City of Clovis administered programs to provide mobile home repairs to elderly homeowners. Grants of up to \$1,500 were provided to 30 households. Of these, 23 homeowners were White, 4 were Hispanic, 2 were American Indian, and 1 was listed as Other Race. Two homeowners had incomes below 30% of Area Median Income (AMI), 17 had incomes between 31-50% of AMI and 11 households had incomes between 51-80% of AMI. An additional 15 homeowners had the exterior of their homes painted through the City's Summer Youth Painting program. This CDBG funded program simultaneously provides employment for students of low-income households during the summer and improves the neighborhood. The 15 homeowners assisted by the Summer Youth Painting Program included 13 White households and 2 Hispanic households. The program benefited 2 homeowners with incomes below 30% of AMI, 8 with incomes between 31-50% of AMI, and 5 with incomes between 51-80% of AMI.

New Housing Construction

SELF-HELP ENTERPRISES - MULTI-FAMILY HOUSING

During the reporting period, the County awarded \$700,000 to Self-Help Enterprises (SHE) for the construction of 48 rental units for farmworker families in the Community of Del Rey. The total estimated cost of the project is \$6,200,000. Financing for the proposed Del Rey Village Project includes a \$3 million Section 514 Loan from USDA - Rural Development, a \$2.5 million Farmworker Housing Grant from the State, and \$700,000 in HOME Funds. The multi-family complex is scheduled to be completed in August, 2004, and will provide affordable rental housing for low-income farmworker families.

CASAS SAN MIGUEL - SINGLE FAMILY (32)

During the previous reporting period the County funded the construction of 32 single family homes. The housing development is named "Casas San Miguel". Construction was completed on April 1, 2002. Expenditures for this project were included in the FY 2001-02 HOME Financial Report. However, occupancy of the units, by low-income families, occurred during the current reporting period.

Development and construction of the housing was administered by the National Farmworker Service Center (NFWSC), a non-profit housing developer. The County awarded \$500,000 in HOME funds to the NFWSC for construction costs. The project's

final development and construction costs were \$3,865,000. Project funding was obtained from the following sources:

State of California, Dept. of Housing & Community Development Farmworker Housing Grant	\$1,190,000
County of Fresno	500,000
City of Fresno	250,000
RCAC	1,485,000
California Endowment	440,000
	<u>\$3,865,000</u>

The County of Fresno led the collaborative of public and private agencies in the undertaking to provide affordable housing for a group of low-income families. These families lived adjacent to an old recycling plant tagged by the EPA as a Superfund site. Of the 32 families that were provided new single family homes at Casas San Miguel, 19 had incomes in the 0-30% of AMI range, 10 had incomes in the 31-50% range, and 3 had incomes in the 51-80% range. All 32 families were Hispanic. During the reporting period, 31 homeowners each completed ten hours of homeownership training courses. The remaining homeowner will complete the course in the Fall 2003 courses offered by the Fresno Housing Authorities.

REEDLEY NEW HORIZONS - SINGLE FAMILY (23)

The County also awarded a total of \$550,000 in HOME funds to SHE for the construction of 35 single family homes in the city of Reedley. The SHE housing development, "New Horizons", utilizes the self help housing model of construction whereby qualified homebuyers help build their own home. The homebuyer's labor is considered "sweat equity" and is used toward the downpayment on their home. SHE staff members oversee all construction. Twenty-three (23) homebuyers were assisted during the reporting period. Of these households assisted, 1 had income in the 0-30% of AMI range, 8 had incomes in the 31-50% range, and 14 had incomes in the 51-80% range.

In total, the County in collaboration with SHE and the NFWSC used HOME funds for the development of 55 affordable single family housing units. Of the families assisted, 20 families were at the 0-30% AMI range, 18 families were at the 31-50% AMI range and the remaining seventeen families were at the 51-80% AMI range.

Home Matching Funds

Each fiscal year, the County is required to generate a minimum match requirement. The match requirement is the participating jurisdiction's local contribution to the HOME program, and is equal to 25% of the dollar amount expended in that fiscal year. The County's match liability for the reporting period was \$863,659.91. After the FY 02-03 match liability is deducted from the cumulative match generated during all previous fiscal years, there is still approximately \$8,210,839 available to satisfy future match requirements.

The HOME Match Report (form HUD-40107-A), included in the CAPER as Exhibit 2, documents \$433,733 in matching funds generated during the fiscal year for the HOME

programs. The primary source of match was the foregone yield from primary loans with interest rates below the HOME program benchmark. Foregone yield is the difference between potential yield (amount the lender would have realized had it made the loan at market rate amortized over the term of the loan) and the expected yield (amount the lender actually realized through repayments on the below market rate loan). The foregone yield totaled \$418,065. Another source of match for the reporting period included \$1,568 generated by recording fees that were not collected for executed loan documents. The County Recorder's Office waived the recording fees since the documents were recorded by the County's Community Development Division.

Funds Leveraged

The County leveraged \$222,221 of HOME funds \$5,454,428 in private dollars through its Downpayment Assistance Program. This combination of private and public funds resulted in a leveraging ratio of 25:1, whereby 61 low and moderate-income families achieved homeownership. The ratio was calculated by subtracting the borrower's required 3% investment and the HOME funded DAP loans from the total sales price of the 61 homes purchased.

EMERGENCY SHELTER GRANT (ESG)

During FY 2002-03, the ESG Program received funds totaling \$195,000. HSS awarded \$185,250 in ESG funds for social services. The remaining \$9,750 was utilized by HSS for administration costs.

Of the \$185,250 awarded, \$82,449 was allocated to the Marjaree Mason Center, and \$102,801 was awarded to the Fresno County Economic Opportunities Commission's (Fresno County EOC) Sanctuary Youth Shelter. The Marjaree Mason Center provides emergency services and housing assistance that targets mothers with children, single women and physically handicapped women. The women and children served included victims of domestic violence. Counseling, educational training, advocacy, assessments and other supportive services are provided. During the reporting period, the Marjaree Mason Center provided unduplicated services to 1,458 persons. The ethnicity served was 51% Hispanic, 24% White, 18.1% Black, 6.1% Asian/Pacific Islander, and 1% American Indian.

The Sanctuary provides emergency and short-term services to homeless and/or non-delinquent youth. The services include emergency housing and outreach programs. EOC provided services to 830 youths. The ethnic composition of individuals served by the Sanctuary included Hispanic (49%), White (26%), Black (19%), Asian/Pacific Islander (4%), and American Indian (2%).

Temporary housing is available at the Sanctuary's shelter for homeless and/or runaway youth. During the reporting period, an unduplicated count showed that 830 individuals were provided short-term housing at this facility. In addition to the shelter, the Sanctuary operates a youth center. Outreach programs including meals, education, recreation, counseling and other services were provided at the youth center, which are funded in part with ESG funds.

The ESG Program has a dollar for dollar match requirement. HSS reported that the required ESG match was obtained by contract service providers from other funding sources. HSS included their required match for administrative costs (\$9,750) in the County Human Services System budget. The breakdown of required match and the corresponding funding source is shown in Table N below.

TABLE N: ESG REQUIRED MATCH		
ESG PROVIDERS	ESG FUNDS	REQUIRED MATCH (FROM OTHER FUNDING SOURCES)
Marjorie Mason Center	\$82,449	\$82,449 (Marriage License Fee Fund)
The Sanctuary	\$102,801	\$102,801 (Private Foundation funds)
HSS (administrative costs)	\$9,750	\$9,750 (included in HSS budget)
Total	\$195,000	\$195,000

CIVIL RIGHTS PROGRAM RELATED REQUIREMENTS

This section discusses demographics of the households that received CDBG or HOME funded housing assistance during FY 2002-03 and offers an assessment of the County's performance in meeting the stated goals. Discussion begins with a comparison of goals to actual accomplishments as described in the Consolidated and Action Plans, for the reporting period. Annual goals are set forth in the County of Fresno's Fiscal Year 2002-03 Action Plan.

Race\Ethnicity and Income Levels of Persons Assisted with Housing Programs

HUD's most recent Low-Moderate Income Data (LMID) analysis (1990) for Fresno County shows there were 38,737 households with incomes at or below 80% of median income. The ethnic breakdown of the low- and moderate-income households in the County is shown in the table below.

ETHNICITY OF LOW- AND MODERATE-INCOME HOUSEHOLDS IN FRESNO COUNTY (1990)		
ETHNICITY	NO. OF HOUSEHOLDS	% OF THE LOW/MOD POPULATION
White	18,308	47%
Hispanic	17,973	46%
Asian/Pacific Islander	1,293	3%
Black	589	2%
American Indian	574	2%

Of the 188 households assisted with HOME or CDBG during FY 2002-03, 75% were Hispanic and 20% were White. Blacks, Asians and Others each made up less than 1% of those assisted. Table O, below, illustrates the beneficiaries of County housing programs by Race/Ethnicity.

TABLE O: RACE AND ETHNICITY OF PERSONS ASSISTED BY HOUSING PROGRAMS						
	RACE OR ETHNICITY					
	TOTAL NO. of HH	% HISPANIC	% WHITE	% BLACK	% ASIAN	% OTHER
TOTALS FOR ALL PROGRAMS	188	75%	20%	<1%	<1%	<1%
DAP	61	84%	8%	3%	5%	0
OOR	27	63%	30%	4%	4%	0
CHDO NEW HOUSING CONST	55	100%	0	0	0	0
CLOVIS REHAB/REPAIR/PAINT	45	13%	80%	0	0	0

*DAP = Downpayment Assistance Program, OOR = Owner-Occupied Rehabilitation, RRP = Rental Rehabilitation Program

Participation by Blacks, Asians and Others dropped slightly from last year. While HUD's LMID statistics indicated that the population of Hispanics and Whites at or below 80% of AMI were relatively similar at 46% and 47% respectfully, the percentage of Hispanics (74%) assisted with CDBG and HOME housing programs is disproportionately higher than Whites (20%) assisted with the program. This suggests that the County is succeeding in its goal to reach minority homeowner populations, yet needs to reassess its outreach to non-minority homeowners.

For the DAP program, 84% of the participants were Hispanic. This continues to be consistent with Hispanic participation in DAP for the previous years. The trend suggests that Hispanics continue to be the largest low-income ethnic group assisted through the DAP program. For owner-occupied rehabilitation (OOR), the table shows that, this year, the participation of Hispanics (63%) was somewhat consistent with the rates recorded for the previous year (69%). The OOR program participation of Whites (20%) fell from last year's participation rate of 31%. In the past two years the participation of Whites for the OOR program has fallen by 22%.

The participation rates for Blacks and Asians (per Table O) indicates that the County's Affordable Housing Program (AHP) needs greater outreach and marketing to these groups. The County can also surmise that Hispanics still have substantial need for DAP since they are the group that most utilize the program. The County will continue to explore other marketing techniques to reach the underrepresented groups indicated in Table O on page 40.

Minority Contractors

The County of Fresno complies with all employment and contracting opportunities as described in the HUD requirements for the CDBG program. Additionally, outreach to minority contractors is further achieved through the County's housing rehabilitation program, which has, as part of the application process, a built in mechanism to help reach licensed minority contractors. As part of the rehabilitation loan process, participating homeowners are required to interview and contract with the contractor who will be working on their house. The County always reviews the applicants' choice of contractors for required licenses and to verify that the contractor is one in good standing.

Of the 10 rehabilitation jobs reported on Annual Performance Report HUD Form-40107 (see Exhibit 3), 6 were awarded to minority contractors between October 1, 2001 through September 30, 2002. The total dollar amount for the 6 contracts awarded to minorities was \$420,405, which was 67% of total amount of all HOME dollars (\$618,447) awarded for the 10 contracts.

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EXHIBITS

EXHIBIT 1: FINANCIAL SUMMARY

Community Development Block Grant Program
US Department of Housing and Urban Development
Office of Community Planning and Development

Name of Grantee: County of Fresno
Grant Number: B02UC060003
Reporting Period: 7/1/02 - 6/30/03

Part I - Summary of CDBG Resources

1. Unexpended CDBG funds at end of previous period:	\$5,490,553
2. Entitlement grant from HUD-7082 (Grant Agreement):	\$5,630,000
3. Surplus Urban Renewal Funds:	
4. Section 108 Guaranteed Loan funds (principal amount):	\$0
5. Program Income	
Revolving Funds:	Grantee Subrecipient N/A N/A \$0
Other Funds:	N/A N/A \$0
Total Program Income:	\$1,056,075
6. Prior period adjustments (enclose negative amounts in brackets):	\$0
7. Total CDBG funds available during the reporting period:	\$12,176,629

Part II - Summary of CDBG Expenditures

8. Total Program year expenditures:	\$5,957,239
9. Total Expended for planning and administration:	\$967,080
10. Amount subject to low/mod benefit calculation:	\$4,990,159
11. CDBG funded Section 108 principle and interest payments:	\$158,390
12. Total expenditures (line 8 and 11)	\$6,924,319
13. Unexpended balance (line 7 minus line 12):	\$5,252,310

Part III - Low/Mod Credit this Reporting Period

14. Total low/mod credit for multi-unit housing expenditures:	\$0
15. Total from all other activities qualifying as low/mod expenditures:	\$4,831,769
16. Total (line 14 plus line 15):	\$4,831,769
17. Percent benefit to low/mod persons (line 16 divided by line 10):	97%

Part IV - Low/Mod Benefit for Multi Year Certifications

Complete only if certification period includes prior years. Note: Please refer to Consolidated Plan submission corresponding to the reporting period: Specific CDBG Certifications; Use of Funds (criteria 2.), Overall Benefit - to verify your community's certification period. DO NOT complete this section unless you have certified a multiple year certification period

Multiple program years covered in certification (up to three years): N/A; N/A; N/A

18. Cumulative net expenditures subject to program benefit calculation:	\$0
19. Cumulative expenditures benefiting low/mod persons:	\$0
20. Percent benefit to low mod persons (line 19 divided by line 18):	0%

Part V - Public Service (PS) Cap Calculation

21. Total PS expenditures:	\$788,391
22. Total PS unliquidated obligations:	\$87,163
23. Sum of line 21 and 22:	\$875,554
24. PS unliquidated obligations reported end of previous report period:	\$67,261
25. Net obligations for PS (line 23 minus line 24):	\$808,293
26. <u>Amount of program income received in the PRECEDING program yr:</u>	\$560,594
27. Entitlement grant amount (line 2):	\$5,630,000
28. Sum of line 26 and 27:	\$6,190,594
29. Percent funds obligated for PS (line 25 divided by line 28):	13%

Part VI - Planning and/or Administrative (P&A) Cost Cap Calculation

30. Total P&A expenditures:	\$967,080
31. Total P&A unliquidated obligations:	\$0
32. Sum of line 30 and 31	\$967,080
33. P&A unliquidated obligations reported end of previous report period:	\$0
34. Net obligations for P&A (line 32 minus line 33):	\$967,080
35. <u>Amount of program income received for this program year:</u>	\$1,056,075
36. Entitlement grant amount (line 2):	\$5,630,000
37. Sum of line 35 and 36:	\$6,686,075
38. Percent funds obligated for P&A (line 34 divided by line 37):	14%

Part VII - reconciliation of CDBG Funds

39. Unexpended balance (line 13):	\$5,252,310
40. Add:	\$0
a. Line of Credit balance as of last day of program year:	\$5,389,870
b. Cash on hand: grantee and subrecipient accounts: PI	\$92,426
c. Revolving cash balances:	\$0
d. Section 108 accounts (contracted funds):	\$0
e. Total:	\$5,482,296

NOTE: When grantees or subrecipients operate their programs on a reimbursement basis, any amounts due to the grantees or subrecipients should be included in program liability figures supplied for the calculation below.

41. Subtract:	
a. Grantee and subrecipient CDBG program liabilities:	\$180,436
(include any reimbursements due to the grantee/subrecipient from program funds)	\$0
b. Total:	\$180,436
42. Total Reconciling Balance (line 40e minus line 41b):	\$5,301,860
43. Unreconciled Difference (line 39 minus line 42):	(\$49,550)

Part VIII - Balance of Unprogrammed Funds

44. Add:	
a. Funds available during reporting period (line 7):	\$12,176,629
b. Expected program income not yet realized (projected):	\$768,100
c. Subtotal:	\$12,944,729
45. Subtract total budgeted amount:	\$12,944,729
46. Unprogrammed Balance:	\$0

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EXHIBIT 2: HOME PROGRAM MATCH REPORT

EXHIBIT 3: ANNUAL PERFORMANCE REPORT (HOME)
